



STATE SENATOR
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2004 Post-Session Newsletter

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Saving ICHIA

A critical new law will help protect high-risk patients

Many people wrangle with the costs and frustrations of health insurance. For those deemed high-risk, the frustration increases as options gradually decrease.

High risk patients suffer from a myriad of chronic diseases including hemophilia, HIV/AIDS, and kidney failure. Survival depends entirely on access to expensive treatments like dialysis, blood transfusions, and transplants. When a person with these health problems loses his or her insurance, the results can be financially devastating.

In 1981, the legislature created the Indiana Comprehensive Health Insurance Association (ICHIA) in order to help serve those individuals that do not qualify for Medicare or Medicaid and cannot receive coverage in the commercial health care market due to their high risk status. The

program serves approximately 9,000 Hoosiers.

Like a typical insurance policy, participants pay premiums in order to help finance the program. However, unlike typical patients, members of the high risk pool's expenses often exceed the amount paid in premiums. To help cover the losses incurred, the state calculates the net loss and then uses a formula based on a variety of factors to recover the loss among over 200 member insurance companies. In return, these companies receive tax credits for their losses, which sometimes amount to millions of dollars.

Recently, the program's financial viability came into question, forcing legislators to tackle the issue in a commission during the interim. Leaders from the insurance industry and legislators collaborated on the

problem and formulated a measure to heal the ailing system.

House Enrolled Act 1273 restructures the program's funding mechanism to ensure long-term solvency. Beginning Jan. 1, 2005, the bill makes insurers responsible for 25 percent of net losses and the state responsible for 75 percent. The bill eliminates the ability of member insurance companies to accumulate additional tax credits. However, beginning in 2007, insurers can claim up to 10 percent of their accumulated credits each year until the credits are fully utilized.

Previously, the state absorbed 100 percent of the loss via tax credits. This plan will provide adequate funding for the program, but not require state spending beyond levels that have been required to pay tax credits. So both the state and member insurance companies benefit from the plan.

ICHIA provides an invaluable service. For some citizens, their survival literally depends on the program's survival. HEA 1273 ensures ICHIA remains a choice for those without options.

2004 Facts & Figures

The Second Regular Session of the 113th General Assembly began on Organization Day, November 18, 2003, and adjourned March 4, 2004.

This non-budget year is known as the "short" session.

Senate bills introduced: 503
Senate joint resolutions introduced: 10

Senate bills passed: 18
Senate joint resolutions passed: 0

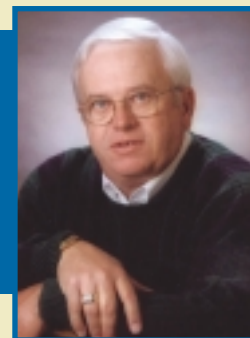
House bills introduced: 459
House joint resolutions introduced: 7

House bills passed: 80
House joint resolutions passed: 0

Percent of introduced bills that were sent to the governor: 10%

For more information about the General Assembly's 2004 session, visit us online at: www.in.gov/legislative

Visit my web site at: www.in.gov/S42



State Senator Bob Jackman

Serving District 42 — Decatur, Fayette, Franklin, Rush and Shelby Counties



Economic Development Remains Priority

Creating jobs and providing a boost to the economy are a top priority for our state. In 2003, the Senate passed legislation with significant economic development measures, dubbed the JOBS plan. Economic development is full time work, and we are constantly trying to improve our business climate here in Indiana to help more Hoosiers find jobs. Despite a \$1 billion state budget deficit, the Senate has continued to seek new ways to foster a more competitive atmosphere for businesses in Indiana.

One important bill, House Enrolled Act 1365, that passed the Senate this session should provide some new momentum for our economic development efforts. It is a combination of several bills that focus on expanding small businesses investment, improving research and development and encouraging growth around the state.

HEA 1365 gives businesses the confidence to invest in creating innovative new products knowing that credits are stable. It also adds a new grant fund to the 21st Century Research and Technology Fund. This will match federal grants for small-

Economic Development Provisions in House Enrolled Act 1365

- Makes several research and investment tax credits permanent
- Adds the Emerging Technology Grant Fund to the 21st Century Research and Technology Fund
- Gives tax incentives to businesses who locate new or expanded operations on closed military bases
- Improves rules regarding Community Revitalization Enhancement Districts (CREDS)
- Allows local governments to assess an annual fee to recipients of tax abatements
- Repeals sales tax on complimentary hotel rooms

sized technology-based businesses to accelerate the commercialization of new discoveries in the life sciences, information technology, advanced manufacturing, or logistics industries.

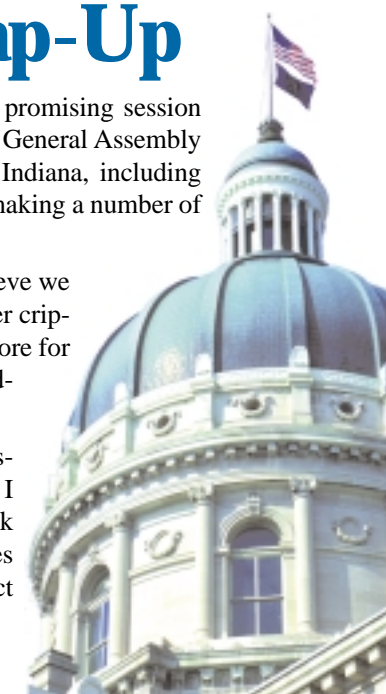
We will continue our effort to provide Indiana with the tools needed to improve our economic climate.

2004 Session Wrap-Up

The 2004 legislative session had the potential of being a promising session with the passage of Senate Bill 1 in early December. The General Assembly passed many bills that will be beneficial to the citizens of Indiana, including property tax changes, absentee voting process accuracy, and making a number of improvements to the child abuse laws.

As this year was scheduled to be our "short session," I believe we accomplished a good deal of positive measures without further crippling our finances. While it was unfortunate we couldn't do more for education this year, I'm glad we didn't hurt Hoosiers by spending money we don't have.

The best thing that the legislature did during this short session was not raising taxes. With the tax-restructuring of 2002, I feel that business can expand in the state of Indiana as we work towards a global economy. If you consider how other states have cut funding for education and jobs, I am proud of the fact that Indiana is out front on these issues.



Defending Indiana's Gun Owners

"The people shall have a right to bear arms, for the defense of themselves and the State." Article 1, Section 32 of the Indiana Constitution grants us the freedom to own firearms and store them in our homes. In Indiana, however, if someone is in your home, steals your gun, and injures or kills someone, you can be held liable.

Last April, the Indiana Supreme Court ordered gun owners to store their guns properly in their own homes or face possible lawsuits. We in the Senate want to protect the more than 300,000 gun owners in Indiana who are law-abiding citizens. House Enrolled Act 1349 prevents gun owners from being sued if their guns were stolen and used to commit a crime.

Many opponents of this legislation argue that the bill grants too much protection to gun owners, especially those who are reckless in storing their guns. On one hand, gun owners should be responsible for their guns and keep them in safe places away from strangers and known criminals. However, this bill does not protect those who are reckless.

Should you be held liable for the unconscionable acts committed by a criminal simply because your property assisted in that act? Clearly, the legislature believes the answer should be no. The protection afforded in the legislation is no different than if someone were to steal your car, which you legally own, and injure someone with it. The driver, not the owner, maintains liability.

This provision attempts to restore social responsibility and place blame where it belongs — on the offender, not the law-abiding citizen.

SENATE BILL 231 — Allows the use of grants from the safe schools fund to provide education and training to school personnel concerning bullying, and requires anti-bullying training in school safety specialist education. FAILED. My vote: NO

Booster Seats: Sometimes Good Intentions Become Bad Bills.

One of the General Assembly's chief concerns is public safety. It is this concern that brings about bills such as House Enrolled Act 1098. HEA 1098 requires a person who operates a motor vehicle to restrain children that are younger than 8 years old in a booster seat.

Sometimes good intentions become bad bills. While I am concerned with child safety in motor vehicles, I am equally concerned with the logistics of implementing this bill.

For instance, HEA 1098 does not have a height and weight limit, but rather it has an age limit. This means that any child under 8 must be in a booster seat unless the child can sit in the seat and be properly restrained by a safety belt. The law does not clarify the definition of "proper restraint." A parent may feel that their child is safe, while a police officer may determine the child needs a booster seat. It is entirely subjective.

Another problem with this legislation is that a person who operates a vehicle registered outside Indiana is required to use a child restraint system.

Currently, exemptions from safety restraints are made for motorists until they have been operating the vehicle in Indiana for more than 60 days in a year. If we remove this exemption, a person traveling through Indiana or a tourist visiting

SENATE BILL 274 — Allows county or municipality that gives tax abatements to impose an annual fee with the agreement of the property owner. Good economic development measure. AMENDED INTO HEA 1365. My vote: YES

Indiana could be ticketed. Are we going to have booster seat rentals at the borders to Indiana for every small child who enters the state?

No law enforcement officer or ambulance driver wants to arrive at the scene of an accident and find an injured child. This is why parents should ask that car manufacturers take more responsibility to make child-friendly seat belts. Car manufacturers know that passengers in their vehicles will often be children. Conversely, adoption of a booster seat bill into law might serve as a deterrent for car manufacturers to make safer seat belts.

While we want to keep our children safe, I want to do this without undermining parental responsibility. I also want to keep Hoosiers safe without a government that is over-vigilant, intrusive, and restrictive of individual freedoms.

The booster seat bill passed the General Assembly and has been signed into law by the governor. It is important that all parents, grandparents, aunts, uncles, babysitters, and others who transport children to be aware of this new law. It is scheduled to take effect July 1, 2005.

The General Assembly has a responsibility to make laws to address issues that citizens cannot reasonably be expected to handle by themselves. It is reasonable that Hoosier parents are expected to keep their children safe without state intervention.

SENATE BILL 362 — Creates a voluntary farmland protection program to be administered by the Indiana Land Resource Council. Freezes assessed value of land to be classified in the protection program. FAILED. My vote: YES

WHY DO WE HAVE PROPERTY TAXES?

The property tax is the most difficult tax to comprehend. There has been a lot of talk in the media lately about the property tax situation in Indiana. Some of the issues regarding property taxes can be confusing, and I would like to help clarify some of your frequently-asked questions.

Property taxes fund the majority of local government operations. According to the National Conference of State Legislatures, local government relies upon property taxes for almost 90 percent of its tax revenue. These taxes pay for a variety of services, including teachers' salaries, school buildings, parks, police and fire protection, libraries, poor relief and other municipal and school functions. In Indiana, state government receives less than one tenth of a percent of all property taxes collected.

Some citizens believe that the property tax is outdated, and unfair to those who have to pay it. Historically, property taxes have funded local governments in the United States since the mid-1800s. Back then, ownership of property was a better indicator of a person's wealth. More property meant more wealth. It was fair to tax a person's land because it was more representative of how much money they earned.

Today, fairness is not so clear. Ownership of property is not always an indication of how much wealth a person has and certainly not indicative of the person's income and ability to pay taxes.

This most recent reassessment evaluated land based upon market value. The Supreme Court ruled that the previous method of reassessment was unfair to homeowners because homes with similar values were assessed differently.

Some citizens have recommended moving toward a system based more on a citizen's ability to pay, such as a higher income and sales tax. No tax is popular, and especially not the income tax, which has not been well-received by the public in the past when it was proposed. Increasing the sales tax also may create more problems because it is not based on one's ability to pay and hurts poor people the most. And right now, an increase of two or three pennies on the dollar is not enough to make up the billions needed in order to eliminate the property tax.

One of the reasons that this move toward elimination of the property tax is difficult for governments is that it is a very stable form of

HOUSE ENROLLED ACT 1194 — Opens state records regarding a child who died as a result of abuse, abandonment, or neglect. Requires extensive background checks on all members of a household for temporary and permanent placements. PASSED. My vote: YES

HOUSE ENROLLED ACT 1273 — Amends ICHIA law concerning premium rates, assessments, tax credits, reporting requirements, member and health care provider grievances, provider reimbursement, provider contracting, and balance billing. PASSED My vote: YES



Senator Jackman asks a question about a bill being discussed in a committee meeting. One of the first steps in the legislative process for a bill to become law is a committee hearing. This is where bills are discussed, amended, and voted upon before it goes to the full Senate. Jackman serves on four different Senate committees.

revenue. In times of recession, such as the last several years when citizens' income levels were lower, sales and income tax collections decreased and the state has had trouble funding essential government programs and services.

Legislators want to help those with high property tax bills. In the 2002 special session, the legislature raised the sales tax a penny and dedicated all of the money to property tax relief for homeowners. Currently, one third of the state budget goes toward property tax relief, dedicating over \$3.6 billion a year.

We have worked to solve those problems that can be fixed immediately. We'll continue to explore ways to reduce the reliance on property tax and work toward solutions that reflect the concerns of all citizens across Indiana.

SENATE ENROLLED ACT 1

The General Assembly passed Senate Enrolled Act 1 in December to assist with property tax relief.

What SEA 1 Does:

- Allows counties to waive penalties assessed for late payment of property taxes
- Allows taxpayers to pay their property taxes in installments
- Extends filing deadline for existing property tax deductions and exemptions
- Streamlines the property tax appeal process to make it easier for taxpayers
- Requires approval from elected officials of significant property tax increases by non-elected boards, such as libraries
- Requires assessors to use most-favorable assessment method for rental properties

SENATE ENROLLED ACT 86 — Allows a voter to check "address unchanged" box on poll list instead of writing entire address when signing in to vote. Would save voters time when polls are crowded. PASSED. My vote: YES